GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2088
ANSWERED ON:28.07.2017
Foreign Capital Investment
Hegde Shri Anant Kumar Dattatreya

Will the Minister of FINANCE be pleased to state:

a) whether the Government is aware of the necessity to boost foreign capital investment for building the infrastructure for the development of the country;

b) if so, the reaction of the Government thereto; and

c) the amount of foreign capital invested in India so far in the infrastructure sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) & (b): Development of infrastructure in the country is the priority for the Government, including from foreign investment. Accordingly, FDI upto 100% under the automatic route has already been permitted in Construction Development of Townships, Housing, Built-up Infrastructure which inter-alia include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships, subject to certain conditions as provided in Consolidated FDI Policy Circular of 2016. Steps taken by the Government to boost foreign investment in infrastructure sector include launching of innovative financial vehicles such as Infrastructure Debt Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, National Investment and Infrastructure Fund, laying down a framework for municipal bonds and its issuance, allowing complete pass-through of income tax to securitization trusts including trusts of Asset Reconstruction Companies.

(c): As per available data, cumulative FDI equity inflows from April 2000 to March 2017 in construction (infrastructure) activities is Rs. 60,375.18 crore.